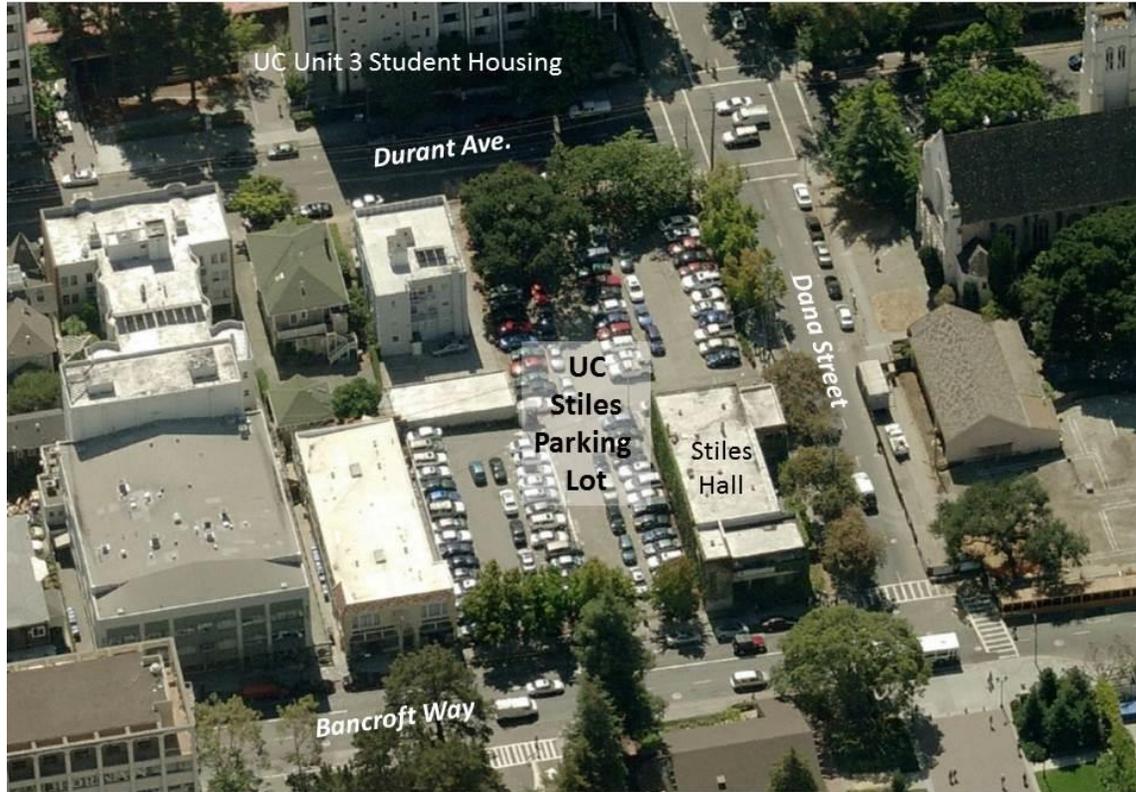


**REQUEST FOR QUALIFICATIONS FOR THE DEVELOPMENT OF STUDENT  
HOUSING AT THE STILES PARKING LOT SITE**



**February 23, 2015**

**Public/Private Real Estate Initiative  
Office of the Vice Chancellor Real Estate  
University of California, Berkeley**

# **REQUEST FOR QUALIFICATIONS FOR THE DEVELOPMENT OF STUDENT HOUSING AT STILES PARKING LOT SITE**

## **INTRODUCTION**

The University of California, Berkeley (“UCB” or “University”) is soliciting Statements of Qualifications from parties interested in developing a student housing project cooperatively with UCB hereinafter referred to as the “Project.” The developer will design, finance, build, operate and maintain state of the art freshmen student housing on University land under a long-term ground lease.

Following is a summary description of the Project, a statement of the Scope of Services for which the University is seeking Statements of Qualifications, the University’s programmatic requirements, selected terms and conditions of the Development Agreement which will govern the relationship between the University and the developer, the University’s selection criteria, and a statement regarding the process for submittal and review of Qualifications.

## **PROJECT SUMMARY**

The Project will be located on a 26,000 square foot site located on the south side of UCB, as shown below in Figure 1 (“Site”). The primary goal of this Project is to provide incoming freshmen state of the art residential accommodations in a building that maximizes the bed count under the planning parameters for the site. General site design guidelines and the proposed development program are provided later in this document. Through this solicitation process, UCB intends to select a development team including a lead developer, a design team, and contractor. The development teams will be screened first based upon a review of team qualification statements and then a shortlist of teams will be asked to provide additional information about their initial design concept and financing strategy. Based upon this information and after an interview of the top candidates, a lead development team will be identified. Assuming the University and the lead developer reach agreement on key business terms, the Berkeley campus will seek authority from the UC Regents to enter into a ground lease/development agreement with the selected developer. The developer will undertake design while the ground lease is being finalized.

The Project should maximize the amount of retail space on the ground floor of the structure, particularly along the Bancroft Way frontage. The University expects to control and receive the revenue from this retail space. Additionally, the University expects to receive a market rate ground rent for its land. However, the University is open to an alternative structure which maximizes the revenue it will receive, such as the developer retaining control of the retail in exchange for additional ground rent to the University.

While the developer/owner will be ultimately be responsible for the management and operation of the student housing portion of the Project, it is understood that a separate management entity will provide student services. As part of the process, the University shall accept proposals to provide student services as an “add alternate” from shortlisted developers/owners. In addition, UC Berkeley’s Residential and Student Services Program (RSSP) may also provide a proposal to provide student services. The University will enter into an affiliation agreement with the developer/owner/operator that will further describe the relationship between the Project and UC including how the Project will be marketed to UC students.

An important objective for the University is for the Developer to structure the Project to have minimal impact, if any, on the University's balance sheet, debt capacity or credit rating. The University contemplates financing of the Project may cover 100% of the development costs and will be either (i) made available through a disbursement agreement between the Developer and an independent § 501(c) (3) non-profit entity, which shall arrange through a "conduit issuer" for issuance of tax exempt bonds in an amount sufficient to fund some or all of the development costs, or (ii) another method of privatized student housing financing acceptable to the University. The Developer's response to the RFQ must include evidence of financial capacity to perform its obligations under the development documents, including creditworthy guaranties or other assurances of performance. The University's fee interest in the Site will not be subordinated to any financing or other lien or encumbrance which the Developer may create in connection with development and ownership of the Project(s).

### THE PROJECT SITE

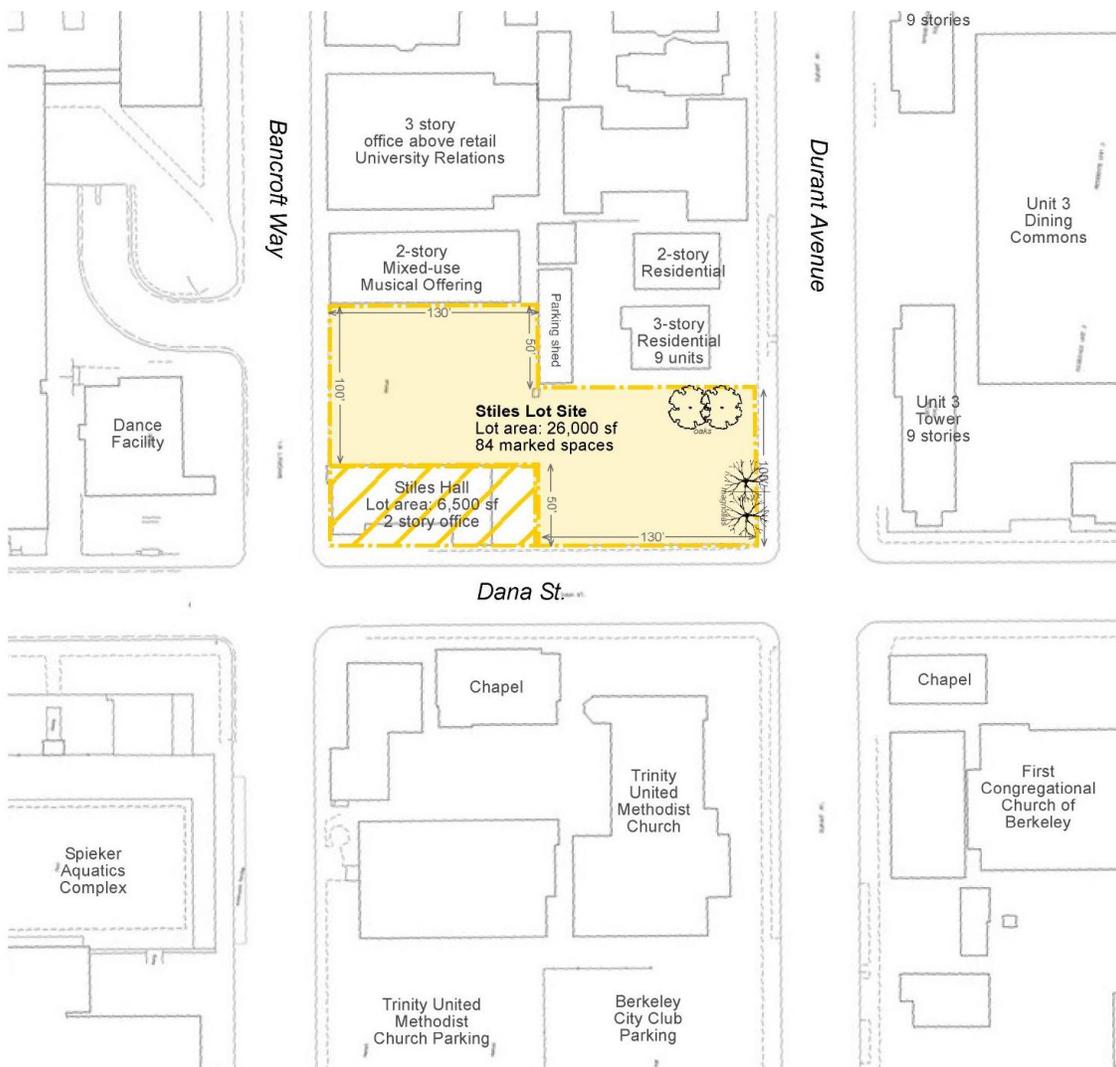
The Project Site is located in the largely residential Southside neighborhood located to the south of the UC Berkeley Central Campus. The 26,000 square foot site is bounded by Bancroft Way to the north, Dana Street to the west and Durant Avenue to the south. This property is owned by the University and is currently used for University parking. A separate 6,500 square foot parcel at the corner of Bancroft Way and Dana Streets is owned by a non-profit service organization, Stiles Hall. The University has discussed the proposed Project with Stiles Hall representatives and inquired about the potential inclusion of this property in the housing development project. At the present time there is no agreement to include the



Stiles Hall property in the Project. However, the selected development team will have the opportunity to pursue a potential agreement to incorporate the Stiles Hall property into the project if a mutually satisfactory agreement can be reached between the developer, University and the Stiles Hall representatives. Although the University believes inclusion of the Stiles Hall site may have benefits in terms of overall project design and layout, the University would like to better understand the developer’s assessment of both the design and the economics aspects of including Stiles Hall in the project.

The University’s large Unit 3 student housing complex is located just across Durant Avenue to the south. This complex consists of four 9 story towers with approximately 230 beds in each tower and a low-rise dining hall located between the towers. The University is likely to redevelop this site in phases within several years and the need for replacement beds is one of the catalysts for the Stiles Parking Lot site development.

Figure 1



Development of UCB’s property in the Southside is guided by the UCB Long Range Development Plan (LRDP), and informed by the City of Berkeley’s Southside Plan (Southside Plan). The University owns

roughly 30 percent of the land in the Southside, a majority of which is occupied by student residence halls and apartments. The LRDP stresses the importance of the accessibility of good, reasonably priced housing for the recruitment and retention of outstanding students. The Plan sets forth a policy of increasing university bed spaces for single undergraduates to equal 100% of entering freshman by the year 2020. This Project is targeted toward meeting this need.

The land use approvals for the Project will be provided by the University of California. While constitutionally exempt from local land use regulations, the University has agreed to comply with the City's Southside Plan where possible and the proposed Project is consistent with the Plan. The University will act as the Lead Agency under CEQA for review of all environmental documents prepared for the Project.

No other public entitlements should be required to build the Project. The University will provide plan check and inspection for the Project and the Developer will reimburse the University for these services. The reimbursement amount will be finalized at the time of negotiation of the documentation. Project design, CEQA, financing and lease terms are subject to approval by the University. Community reviews with the City of Berkeley and applicable community organizations will be coordinated with the University. The developer will be required, as part of the Project, to construct both on and off-site infrastructure including all necessary utilities. The University will retain ownership of the Site and make it available to the developer under a long-term ground lease.

## THE PROJECT

### **Project Program.**

UC Berkeley's Undergraduate Education Initiative identifies residential life as a critical component of the student academic experience. The residence halls provide an important pedagogical as well as social setting. Equally important, any new residence hall must provide affordable, economical housing for Berkeley students. Although configuration of the new residence halls must support the goals of the Undergraduate Education Initiative, any additional services and amenities in the project should be balanced against increased cost to students.

This project will provide residence hall (dormitory) style bedrooms with group bathrooms on each floor (or wing). Per the Undergraduate Education Initiative, groups of approximately 20 freshmen will form clusters each with a resident advisor. The organization and configuration of the rooms should support this program need. Generous social and shared group academic spaces for these clusters must be provided. Common spaces should include kitchenettes. Two models should be explored: one in which all bedrooms are very small singles; and one in which most bedrooms are designed for two students. In the model with double bedrooms, small singles should be provided for the resident advisors—approximately one single bedroom for every ten double bedrooms. Size and location of group bathrooms should be appropriate--code compliant as well as logical per-floor-plate configuration and numbers of students. The University will consider recommendations on floor and room layouts that reflect the state of art for freshmen dorms among our peer institutions.

In addition to the common spaces associated with the clusters, the building must have a controlled lobby area and shared use spaces accessible to residents. No dining facilities will be included, but building-wide shared use space should include a catering kitchen. The University wishes to maximize the retail space on the ground floor along Bancroft Way. There is no need to provide parking for the student residents or to replace the parking displaced by the project.

**Design Guidelines.** The Project should reflect an understanding of student culture and market preference. The living environment must facilitate the social, physical and emotional health of the students by providing day lighting and excellent indoor air quality. The Project should strive to attain LEED “Gold” Certification, maximize energy efficiency and water use, as well as have high performance finishes that facilitate low maintenance costs and systems with long life cycles.

The building should have an elegant, modern design with a unique identity that fits into the neighborhood context without attempting to mimic it.

The Site falls within in the City of Berkeley’s Southside planning zone and the Project will be informed by the Southside Plan. The Berkeley campus will be developing project-specific design guidelines for the project as required by the UC Berkeley Long Range Development Plan.

**Key Business Terms.** The Project will be financed, built and managed by the developer. Because of this structure, the University is seeking developers with a demonstrated ability to finance and complete the construction of high quality student housing in a cost efficient and timely manner. The University expects the Project will be completed and ready for occupancy by fall 2018. A draft Project schedule outline key activities leading up to this deadline is provided in Appendix B. However, we will work to refine the project schedule and the delivery date with the selected development team.

For the purposes of responding to this RFQ, and subject to the on-going discussions described above, developers should assume that the development agreement and associated agreements for the development of the Site will include the general provisions set forth in Appendix C.

#### SCOPE OF SERVICES AND BASIS OF COMPENSATION

An Exclusive Negotiating Agreement (ENA) will govern design submittals and approvals as well as conditions to "closing" and conveyance of the ground leasehold interest to the Developer. The Developer's obligations under the ENA will include the following:

- a. Manage, hire and coordinate a design team and contractor;
- b. Manage design professionals and coordinate interaction with campus user groups;
- c. Coordinate submittal of plans, contract documents and specifications to the University for review and approval;
- d. Coordinate entitlements (to be obtained from the University) and community reviews;
- e. Provide cost estimates and schedules for the project;
- f. Subject to the University's option to use tax exempt bond financing, arrange or provide construction and interim/permanent financing;
- g. Obtain permits for construction (to be obtained from the University); and
- h. Provide information for CEQA documentation and University project approvals.

**Planning Stage:** During the Planning Stage of the Project the selected developer will be expected to perform the following services, in consultation and collaboration with UCB:

- a. Refine the project schedule, confirming key milestones and required resources to accomplish the project.
- b. In close consultation with UCB, finalize the project development program.
- c. Prepare an overall site plan showing building placements, landscaping, exterior lighting,

- pedestrian circulation and bicycle/motorized-vehicle circulation, and other necessary elements.
- d. Prepare conceptual building design(s), including elevations, construction materials, and other design elements in consultation with the campus Design Review Committee.
  - e. Prepare conceptual floor plans, demonstrating the general quality of materials, sound attenuation features, energy efficiencies, etc., contemplated for the development.
  - f. Prepare conceptual on and off-site infrastructure plans.

The UCB campus is willing to negotiate a reimbursement agreement with the selected developer for portions of its work during the Planning Stage if the Project does not proceed to the Development Stage. If the University and Developer do reach agreement to proceed on the development of the Site, the developer will be expected to recoup its costs in the Planning Stage from the proceeds of such development.

**Development Stage.** In the Development Stage, the developer will be expected to be responsible for the design and construction of the Project while continuing to collaborate with UCB. The design of the student housing project and the major business terms of the development agreement and ground lease with the developer will be subject to the approval of The Regents of the University of California.

#### **SUBMITTAL REQUIREMENTS**

Please provide the information described below in your submittal of your Qualifications. The responses must follow the order and reference the numbered categories provided below to facilitate the University's review and evaluation of the responses.

1. **Developer Information.** Identify the entity that would be the developer. Include the developer's name; its legal status; employer identification number; address; full names of the developer's officers, their addresses, credit references, and brief biographical summaries. If the developer is a joint venture or partnership, provide the above information for each partner.  
  
Disclose any recent or currently outstanding legal claims against the developer or any key personnel, including the source of such claims, their amount, and status. Disclose any criminal convictions of any key employees other than simple traffic convictions.
2. **Developer team.** Identify other members of the proposed team including design professionals, management group(s), construction contractor(s) and any other applicable groups or individuals required to complete and manage the Project. Describe the qualifications and experience of each with this type of project.
3. **Previous Development Experience.** Developers must provide evidence of having successfully undertaken other projects of this type and/or magnitude. Describe the background and experience of the entity and its principals in undertaking student housing projects of this type and magnitude, including brief descriptions of similar projects completed and under construction; a statement regarding the duration of developer's financial and operational involvement with each such project following completion; and the name, address, and telephone numbers of principal investors, architect, and principal consultants. This should additionally include the cost history of the projects in meeting construction budgets, operating budgets, debt coverage and delivery dates and where they

differed from the pre-construction project pro forma.

The developer should identify and describe awards it has received for student housing projects completed in the last five (5) years. It should show evidence of achieving high quality and affordability within the varying markets it has entered. Additionally, it should note the length of time key leadership and employees have been with the company and for those individuals who will be working on this project.

Additional consideration will be given to those developers with favorable experience working with the public institutes of higher education in the State of California.

4. Financial capability to execute the Project. Provide evidence of the developer entity's financial condition including company and, if relevant, personal financial statements; a statement detailing the different methods of financing the developer is capable of delivering the construction financing. Provide financial and banking references and telephone numbers of contacts for such references, together with written authorization permitting the University to confirm financial information with such references. The University may request a review of such submissions by a Certified Public Accountant or its external auditors.

Provide examples, drawn whenever possible from the project experience described under 3, above.

5. Planning Stage Program. Provide a preliminary outlined plan and schedule to work with the University for the Planning Stage of the Project. The schedule should meet the University's goal for occupancy in fall 2018. The schedule should describe the developer's commitment of staff (by name and qualification) and team. Additionally, the plan should describe the strategy for feasibility research and other elements the developer identifies as critical to the development of the Project. The University is seeking to understand projected developer time lines for team assembly, feasibility studies, architectural design concepts approvals and final design, and possible development start and delivery times based on these factors.
6. Additional responses required. Respond to the following questions, referencing as appropriate your preceding responses:
  - a. Describe the company's past experience in designing projects targeted to meet the needs of freshmen students.
  - c. Describe your experience in developing and constructing mid-rise student housing. This experience should be specific to projects with over \$40 million in construction costs.
  - d. Describe how you have handled projects that have involved (i) major on and off-site infrastructure; (ii) neighborhood/community relations; and (iii) sustainable design and implementation.
  - e. The developer selected will be required to agree to a policy of nondiscrimination against any subcontractor, consultant, employee, or applicant for employment because of race, religion, color, sex, handicap, or national origin. Such nondiscrimination will include: employment, upgrading, demotion, transfers,

recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Include a statement acknowledging this requirement.

- f. Include a statement acknowledging that UCB anticipates negotiating reimbursement with the developer for the Planning Stage, as described above under "Scope of Services and Basis of Compensation". Identify any terms of such reimbursement you believe would be a prerequisite to your participation.
- g. Include a statement acknowledging the Major Agreement Terms set forth in Appendix C, and those stated within the body of this RFQ. Identify any such terms you believe would make it difficult to consummate a ground lease to develop the Site, and why they would create a difficulty.

### SUBMITTAL PROCEDURES

- 1. Submit your Statement of Qualifications on 8-1/2" by 11" paper. An electronic version must be provided as well. Emphasis should be on completeness and clarity of content. Each of your responses should reference the **Submittal Requirement** section being addressed. Pages should be numbered consecutively. Note: Failure to respond to all requested information may be considered non-responsive and may disqualify a developer from further consideration.
- 2. Submit ten copies of the Statement of Qualification to J. Kevin Hufferd, Property Development Director, Real Estate Services, University of California, Berkeley, 200 A&E Building, Berkeley, CA 94720-1382 by **4:00 PM Pacific Time, Wednesday, March 18, 2015**. Call (510) 643-5314 or e-mail hufferd@berkeley.edu if you have any questions. Please note that these materials will not be returned.
- 3. The California Public Records Act limits the University's ability to withhold prequalification information. If a submittal contains trade secrets that a developer does not want disclosed to the public or used by the University for any purpose other than evaluation of the developer's eligibility, each page (both hard copy and electronic) containing such information must be marked with the designation "Confidential". The University agrees that if a "Public Records Act" request is made for disclosure of information so classified, it will notify the submitter of such information so that the submitter will have an opportunity to legally challenge the University's obligation to disclose such information.

### REVIEW PROCESS AND NEXT STEPS

The University will conduct an evaluation of all submitted Statements of Qualifications. The evaluation process will identify the developer who, in the University's sole judgment, best meets the University's requirements, and one or more back-up developers.

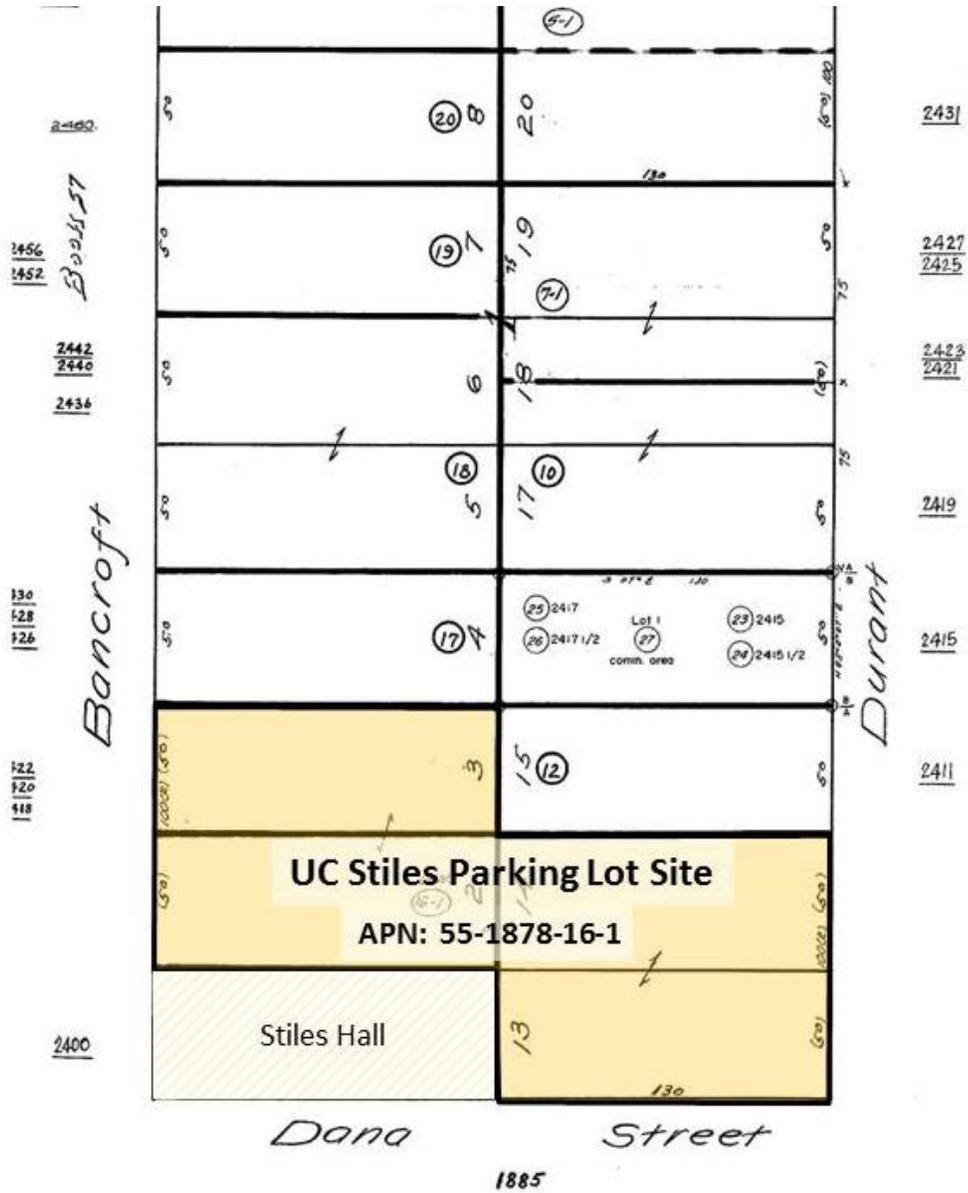
- 1. The response to this RFQ and an interview with the University selection committee (if chosen as one of the developer finalists) will be the primary requirements leading up to UCB's selection of a short list of developer candidates ("finalists"). The University reserves the right to require additional information, presentations or meetings with

candidates. Additionally, the University will seek information from the developer finalists about the development fee/return they would seek for construction and development of the Project. Further, the University reserves the right to reject any or all Statements of Qualifications and to change or add to the criteria at any time during the selection process.

The University selection committee will review all written Statements of Qualifications, confer with the top candidates (finalists), and select (i) the developer with whom the University will negotiate an agreement for the Planning Stage of the Project and for the development of the Development Stage of the Project, and (ii) one or more back-up developers with whom to negotiate should negotiations with the selected developer fail or the selected developer fail to perform. Approval by UCB and The Regents of the University of California to continue with the Project will be conditioned upon the success of the negotiations.

2. The submittals will be evaluated with a focus on the following areas of response:
  - a. Evidence of previous experience.
  - b. Demonstrated financial capability to finance the construction.
  - c. Demonstrated flexibility of the team in planning and design and in working with University requirements.
  - d. Demonstrated experience in the construction of relatively large student housing projects.
  - e. Demonstrated commitment to meeting schedules and campus requirements, compliance with local, state and federal law, and providing infrastructure and other off-site facilities for the campus.
  - f. Demonstrated ability to build projects cost efficiently and on budget.
  
3. During the Planning Stage UCB will negotiate a development agreement and license agreement and ancillary documents whereby the University will make the Project Site available to the developer. The University reserves the right to terminate planning and subsequent negotiations with the selected developer if the University determines that it is not in the University's best interest to continue negotiations, and to enter into negotiations for such development with a back-up developer selected through this solicitation. The University reserves the right to negotiate the development with any of the back-up developers selected through this RFQ.

**APPENDIX A  
PROJECT SITE**

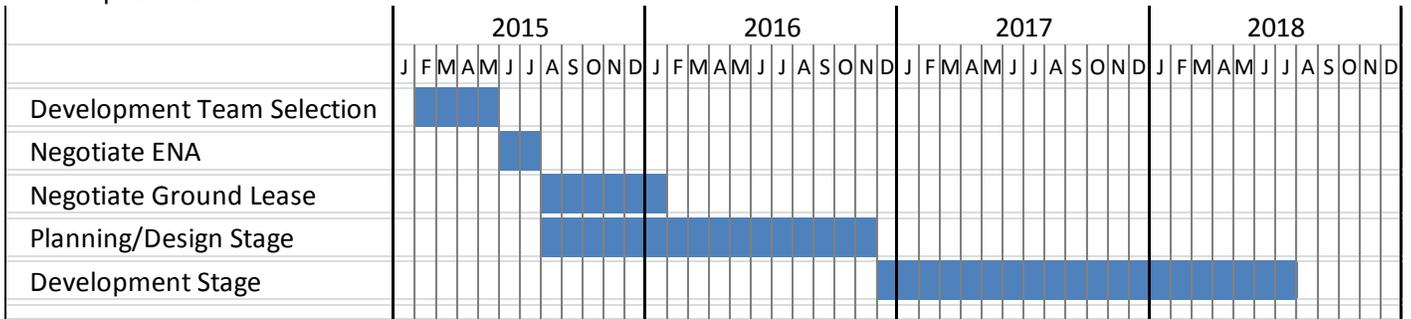


**APPENDIX B**

**CONCEPTUAL PROJECT SCHEDULE**

**Stiles Parking Lot Housing Project**

Conceptual Schedule



**APPENDIX C**  
**KEY BUSINESS TERMS**

1. The Site will be licensed "as is" in its present condition and subject to applicable governmental and University regulations. A license agreement will be granted to the developer for access to the property, for a construction and lay down area, and for infrastructure work. The Project Site is located within Alameda County, within the City of Berkeley. University projects are subject to California Administrative Code Title 24 and the California Environmental Quality Act (CEQA). The University is the lead agency for compliance with CEQA. The required environmental documents for the development of the Project Site(s) will be prepared and processed, consistent with the Project. Mitigation measures required of the developer will be discussed with the developer during the CEQA process and will be incorporated as required.
2. The parties shall agree upon a development schedule with a date for delivery of the project. Any delay in delivery beyond this date will obligate the developer to pay liquidated damages assessed on a per person basis covering the cost of comparable temporary housing, and any necessary transportation to and from campus, for the period during which the Project Improvements remain unavailable.
3. Following execution of the development agreement, the developer will commence, at its own expense, the construction of Project Improvements. All construction will be in compliance with applicable building codes, Federal and State codes, environmental laws and in accordance with plans and specifications approved by the University. The developer shall be liable for the correct inspections according to the various applicable codes.
4. The developer will arrange for all utilities and be responsible for infrastructure development.
5. The developer will defend, indemnify, and hold harmless The Regents, its officers, employees, and agents from and against any and all liability, claims, liens, judgments, expenses, and costs which result from, or in any way arise out of, or in connection with developer's construction of the Project Improvements.
6. The developer will provide proof of insurance at levels acceptable to the University prior to the signing of a development and license agreement. Required coverage will be determined for the start of construction.